SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

92-22825

04434 (1) 34105

[x] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended February 28, 1992

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 0-14019

Ridgewood Properties, Inc.

(Exact name of registrant as specified in its charter)

Delaware	58-1656330
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

2859 Paces Ferry Road, Suite 700
Atlanta, Georgia
30339

(Address of principal executive offices, (Zip Code)

(404) 434-3670

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ✓ No _____

Common stock, par value $.01 per share - 48,908 shares outstanding at February 28, 1992.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

RIDGEWOOD PROPERTIES, INC. AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS

FEBRUARY 28, 1992 AND AUGUST 31, 1991

($000'S Omitted, except per share data)

ASSETS	(Unaudited) February 28, 1992	August 31, 1991
Real Estate Investments:		
Real Estate Properties --		
Operating Properties	$ 28,186	$ 28,777
Land Held for Sale or Future Development	12,607	12,221
Single Family Subdivisions	1,398	1,390
	42,191	42,388
Mortgage Loans	843	843
Total real estate investments	43,034	43,231
Allowance for Possible Losses (Note 3)	(3,390)	(3,390)
Net real estate investments	39,644	39,841
Cash and Temporary Investments	302	1,792
Mobile Home Inventory	1,261	1,671
Other Assets	1,366	1,315
	$ 42,573	$ 44,619

The accompanying notes are an integral part of these consolidated financial statements.

RIDGEWOOD PROPERTIES, INC. AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS

FEBRUARY 28, 1992 AND AUGUST 31, 1991

($000's Omitted, except per share data)

LIABILITIES AND SHAREHOLDERS' INVESTMENT	(Unaudited) February 28, 1992	August 31, 1991
Accounts Payable	$ 118	$ 248
Accrued Salaries, Bonuses and Other Compensation	533	609
Accrued Property Tax Expense	702	472
Earnest Money Deposits	146	308
Accrued Interest and Other Liabilities	667	301
Current Portion of Long-Term Debt (Note 5)	1,500	--
Notes Payable (Note 5)	743	15,797
Long-Term Debt, Less Current Portion (Note 5)	13,500	--
Total Liabilities	17,909	17,735
Commitments and Contingencies (Note 6)		
Shareholders' Investment (Notes 1 & 4)		
Preferred Stock, $1 par value, 500,000 shares authorized, none issued	--	--
Common Stock, $.01 par value, 1,000,000 shares authorized, 48,908 shares issued and outstanding at February 28, 1992 and 52,754 issued and outstanding at August 31, 1991	--	1
Paid-in Surplus	26,320	28,118
Retained Earnings since December 30, 1985	(1,656)	563
Note Receivable-Stock Purchase Agreement	--	(1,798)
	24,664	26,884
	$ 42,573	$ 44,619

The accompanying notes are an integral part of these consolidated financial statements.

RIDGEWOOD PROPERTIES, INC. AND SUBSIDIARY

STATEMENTS OF CONSOLIDATED LOSS

FOR THE THREE AND SIX MONTHS ENDED FEBRUARY 28, 1992 AND FEBRUARY 28, 1991

($000's Omitted, except per share data)

(Unaudited)

	For the Three Months Ended		For the Six Months Ended	
	February 28, 1992	February 28, 1991	February 28, 1992	February 28, 1991
REVENUES:				
Operating revenues from real estate properties	$ 1,799	$ 1,751	$ 3,325	$ 3,262
Sales of real estate properties	--	552	--	552
Mobile home sales	1,311	987	3,257	2,193
Income from loans and temporary investments	35	86	74	130
Other	11	12	18	22
	3,145	3,388	6,674	6,187
COSTS AND EXPENSES:				
Expenses of real estate properties	1,392	1,309	2,798	2,589
Expenses of real estate sales	10	593	27	613
Expenses of mobile home sales	1,506	1,435	3,543	2,797
Depreciation on real estate properties	379	378	778	782
Interest expense	305	409	643	807
General, administration and other	677	673	1,108	1,288
	4,289	4,789	8,894	8,806
LOSS BEFORE INCOME TAXES	(1,174)	(1,391)	(2,220)	(2,639)
BENEFIT FOR INCOME TAXES	--	170	--	179
NET LOSS	(1,174)	(1,221)	(2,220)	(2,460)
LOSS PER SHARE (NOTE 4)	$ (22.94)	$ (24.92)	$ (45.31)	$ (50.20)

The accompanying notes are an integral part of these consolidated financial statements.

RIDGEWOOD PROPERTIES, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED FEBRUARY 29, 1992 AND FEBRUARY 28, 1991

Increase (Decrease) in Cash and Cash Equivalents

($000's Omitted)

	1992	1991
Cash flows from operating activities:		
Net loss	$ (2,220)	$ (2,460)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation	776	742
Amortization	73	33
Decrease (increase) in single family subdivisions	(8)	500
Decrease (increase) in mobile home inventory	810	(309)
Decrease (increase) in other assets	(538)	116
Increase in accounts payable and accrued liabilities	338	193
Decrease in deferred income tax	--	(179)
Total adjustments	1,349	1,097
Net cash used by operating activities	(871)	(1,363)
Cash flows from investing activities:		
Principal payments received on mortgage loans	$	13
Additions to real estate properties	(371)	(820)
Net cash used by investing activities	(365)	(808)
Cash flows from financing activities:		
Purchase and retirement of common stock	--	(78)
Proceeds from notes payable	1,383	2,911
Repayments of notes payable	(1,417)	(1,157)
Net cash provided (used) by financing activities	(54)	1,676
Net decrease in cash and cash equivalents	$ (1,490)	$ (495)
Cash and cash equivalents at beginning of year	1,792	1,002
Cash and cash equivalents at end of year	$ 303	$ 507

The accompanying notes are an integral part of these consolidated financial statements.

RIDGEWOOD PROPERTIES, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FEBRUARY 28, 1992 AND FEBRUARY 28, 1991
(Unaudited)

1. GENERAL:

Ridgewood Properties, Inc. (the "Company") is engaged in the business of acquiring, developing, operating and selling real property located primarily in the Southeast and Sunbelt areas. The Company was incorporated in Delaware on October 29, 1985.

The Company's common stock is currently being traded in the broker-dealer "Pink Sheets" in the over-the-counter market. Of the Company's issued and outstanding shares of common stock, approximately 76% of the common stock is owned by Intermark, Inc.

Prior to December 31, 1985, the Company operated under the name CMEI, Inc.

The accompanying financial statements of the Company present the historical cost basis amount of assets, liabilities and shareholders' investment of the real estate business for the periods presented. The consolidated financial statements include the accounts of the Company, its wholly-owned subsidiary and its joint venture investments after the elimination of all intercompany amounts.

2. BASIS OF PRESENTATION:

The accompanying consolidated financial statements have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. In the opinion of management, the consolidated financial statements reflect all adjustments, consisting of normal recurring adjustments, which are necessary to present fairly the financial position, results of operations and changes in financial position for the interim periods covered by this report. Although certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, management believes that the disclosures are adequate to make the information presented not misleading. These financial statements should be read in conjunction with the audited consolidated financial

statements and notes thereto included in the Company's annual report on Form 10-K for the fiscal year ended August 31, 1991. The results of operations for the six months ended February 28, 1992 are not necessarily indicative of the results to be expected for the fiscal year ending August 31, 1992.

The Company is currently generating net operating loss carryforwards for both book and tax purposes which may be used to offset future income. In February 1992, the Financial Accounting Standards Board issued a new standard on accounting for income taxes. SFAS 109 mandates the asset and liability method for computing deferred income taxes. The Company is required to adopt the new accounting and disclosure rules no later than its fiscal year ending August 31, 1994. The Company has not decided when to implement the new pronouncement, nor has it decided whether to restate prior financial statements. Because of the complexities of the new accounting requirements, the effect that the change may have on the Company's reported consolidated financial position and results of operations has not been determined.

For the purpose of the Statement of Cash Flows, cash includes cash equivalents. Cash equivalents include all highly liquid investments with maturity of three months or less.

The Company carries mobile home inventory at cost, determined by the specific identification method, or market, whichever is lower.

3. ALLOWANCE FOR POSSIBLE LOSSES:

No changes in the allowance for possible losses for the six months ended February 28, 1992 and 1991 were made.

4. SHAREHOLDERS' INVESTMENT:

Loss Per Common Share --

Loss per common share is calculated based upon the weighted average number of shares outstanding of approximately 49,000 for the three months and six months ended February 28, 1992 and 1991.

Repurchase of Common Shares --

During the second quarter of fiscal year 1992, the Company authorized the purchase of 3,846 shares from its President, which were subject to a stock repurchase agreement, for $854.11 per share. The Company will cancel the notes and interest related to the original stock purchase and pay approximately $114,000 to the President for the amount of the purchase exceeding the notes and interest.

5. NOTES PAYABLE:

Effective December 31, 1991, the Company's Revolving Line of Credit expired and the outstanding principal balance of $15,000,000 converted to a term loan. In January 1992 the term loan was amended to postpone principal payments for seven months. Under the amended agreement, interest accrues at the rate of one percent (1%) per annum above the prime rate (currently 6.5%) of the lender. Under the term loan agreement, the Company is required to make interest only payments on the outstanding principal balance of the note, commencing on February 1, 1992 and thereafter until August 31, 1992. Commencing on September 1, 1992, and thereafter on the first day of each month through December 1, 1996, the outstanding principal amount of the note shall be repaid in equal monthly payments of $250,000. Interest on the outstanding principal balance shall continue to be paid monthly at the rate specified above. On January 1, 1997, the remaining outstanding principal balance of $2,000,000 shall be payable in full.

Due to the sale in March 1992 of property which was part of the collateral for the loan, the term loan balance was reduced to $14,736,000.

The Company had approximately $605,000 outstanding at February 28, 1992 on its Mobile Home Inventory Floor Plan Line of Credit with a commercial bank in Florida.

The Company had $138,000 outstanding at February 28, 1992 on a purchase money note, with the entire principal balance and accrued interest due in November 1992. Interest accrues at the rate of 13.75% per annum on the principal amount. The note is secured by a parcel of land in Atlanta, Georgia.

Maturities of long-term debt during the Company's next five fiscal years are $3,000,000 per year through fiscal year 1997.

6. LEGAL PROCEEDINGS:

A Complaint against the Company was filed in 1987 alleging that the Company should have obtained a Development of Regional Impact Development Order, pursuant to Section 380.06(15), Fla. Stat., prior to commencing development of a project in Orange County, Florida. The Company appealed an order issued on June 4, 1991 by the substitute Secretary of the Department of Community Affairs directing that the Company submit an application for development approval. The appeal was reviewed by the Fifth District Court of Appeals in Daytona Beach, Florida.

On March 27, 1992 the three judge panel reversed the order of the substitute Secretary of the Department of Community Affairs, ruling that the property which was the subject of the order had vested rights and could be completed without undergoing an application for development approval. The State of Florida has thirty days in which to petition for a re-hearing or file an appeal.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (THREE AND SIX MONTHS ENDED FEBRUARY 28, 1992 COMPARED TO THREE AND SIX MONTHS ENDED FEBRUARY 28, 1991)

LIQUIDITY AND CAPITAL RESOURCES --

Effective December 31, 1991, the Company's Revolving Line of Credit expired and the outstanding principal balance of $15,000,000 converted to a term loan. Interest on the term loan accrues at the rate of one percent (1%) per annum above the prime rate (currently 6.5%) of the lender. Under the term loan agreement, the Company is required to make interest only payments on the outstanding principal balance of the note, commencing on February 1, 1992 and thereafter until August 31, 1992. Commencing on September 1, 1992, and thereafter on the first day of each month through December 1, 1996, the outstanding principal amount of the note shall be repaid in equal monthly payments of $250,000. Interest on the outstanding principal balance shall continue to be paid monthly at the rate specified above. On January 1, 1997, the remaining outstanding principal balance of $2,000,000 shall be payable in full.

Subsequent to the quarter ended February 28, 1992, the Company sold one of its residential homes in Atlanta, Georgia for net proceeds of $264,000, which were applied to reduce the principal balance of the term loan.

For the six months ended February 28, 1992, the Company borrowed approximately $1,225,000 on its Floor Plan Line of Credit and repaid approximately $1,417,000.

The Company had $138,000 outstanding on a promissory note at February 28, 1992.

In January 1992, the Company signed a contract for the sale of Phase One of one of its mobile home parks for $3,425,000. The contract has several contingencies, including the ability of the purchaser to obtain satisfactory financing. The contract allows for closing on or before May 8, 1992.

The Company is currently seeking a loan from the Department of Housing and Urban Development on one of its apartment complexes in Texas. The expected net proceeds would be approximately $1.2 million.

Due to recent economic conditions and the lack of available financing for real estate projects, the Company's cash position has been severely impaired. The economic downturn has caused a slower than expected lease-up in the Company's six mobile home parks, as well as slower sales of its land and single-family subdivision lots.

The Company believes that events occurring in recent months have now strengthened the sales effort at the mobile home parks and that a further deterioration of the Company's cash position is not likely. Therefore, if the sale of Phase One of one its mobile home parks is consummated and the financing of the apartment complex is successful, the Company should be able to meet its near term debt obligations without the sale of any other assets.

RESULTS OF OPERATIONS --

During the three and six months ended February 28, 1992, the Company had losses from real estate sales of approximately $10,000 and $27,000, respectively, compared with losses of $41,000 and $61,000, respectively, for the three and six months ended February 28, 1991. Gains on sales or losses are dependent upon the specific assets sold in a particular period and the terms of each sale.

Operating revenues from real estate properties for the three and six months ended February 28, 1992 increased approximately $37,000 and $63,000, or 2%, respectively, compared to the three and six months ended February 28, 1991. The increase was due primarily to higher occupancies at the mobile home parks in Florida. Operating expenses during the three and six months ended February 28, 1992 increased $83,000, or 6%, and $209,000, or 8%, respectively, compared to the three and six months ended February 28, 1991 due to normal operating expense increases at the majority of the Company's operating properties.

During the three and six months ended February 28, 1992, the Company's losses from mobile home sales decreased $253,000 to $195,000 and $309,000 to $285,000, respectively, compared to the three and six months ended February 28, 1991. The decrease in the net losses was due to greater gross profits as the result of increased sales during the current fiscal year. Marketing and overhead costs continued to be greater than gross profits on homes sales, generating a net loss.

Income from loans and temporary investments decreased compared to the prior period due to less cash invested in the current period.

Interest expense decreased approximately $104,000 and $164,000, respectively, for the three and six months ended February 28, 1992 compared to the three and six months ended February 28, 1991 primarily due to a decrease in the prevailing borrowing rates. Interest expense during the first six months of fiscal year 1992 and 1991 reflects no capitalized interest.

General, administration and other expenses increased approximately $4,000, or 1%, and decreased approximately $160,000, or 13%, respectively, for the three and six months ended February 28, 1992 compared to the three and six months ended February 28, 1991 primarily due to decreased insurance costs resulting from the normal course of business.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

State of Florida, Department of Community Affairs v. Ridgewood Properties, Inc. filed with the Division of Administrative Hearings, Tallahassee, Florida on March 3, 1987.

This Complaint alleged that the Company should have obtained a Development of Regional Impact Development Order, pursuant to Section 380.06(15), Fla. Stat., prior to commencing development of a project in Orange County, Florida. The Company appealed an order issued on June 4, 1991 by the substitute Secretary of the Department of Community Affairs directing that the Company submit an application for development approval. The appeal was reviewed by the Fifth District Court of Appeals in Daytona Beach, Florida.

On March 27, 1992 the three judge panel reversed the order of the substitute Secretary of the Department of Community Affairs, ruling that the property which was the subject of the order had vested rights and could be completed without undergoing an application for development approval. The State of Florida has thirty days in which to petition for a re-hearing or file an appeal.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

A. Exhibits:

10 Consolidated Amendatory Agreement between Ridgewood Properties, Inc. and First American Bank of Georgia, N.A. dated January 31, 1992

10 Amendment to Loan Agreement between Ridgewood Properties, Inc. and First American Bank of Georgia, N.A. dated March 26, 1992

B. Reports on Form 8-K: No reports on Form 8-K were filed during the three months ended February 28, 1992.

SIGNATURES:

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

RIDGEWOOD PROPERTIES, INC.

By: _____
N. Russell Walden
President

By: _____
Karen S. Hughes
Vice President,
Chief Accounting Officer

Date: April 1, 1992

CONSOLIDATED AMENDATORY AGREEMENT

This CONSOLIDATED AMENDATORY AGREEMENT (the "Agreement") is made and entered into as of the 31st day of January, 1992, by and between RIDGEWOOD PROPERTIES, INC., a Delaware corporation (hereinafter "Borrower") and FIRST AMERICAN BANK OF GEORGIA, N.A., a national banking association (hereinafter "Lender").

RECITALS

Lender has heretofore made a loan to Borrower (the "Loan") evidenced by that certain Commercial Promissory Note dated November 22, 1989, given by Borrower to Lender in the original principal amount of Fifteen Million and No/100 Dollars ($15,000,000.00) (the "Note"). The terms and conditions of the Loan are memorialized in and governed by that certain Loan Agreement dated November 22, 1989, by and between Borrower and Lender. Borrower and Lender amended the Loan Agreement to reflect the addition of certain properties as collateral for the Loan by execution of that First Amendment to Loan Agreement dated March 1, 1991, by and between Borrower and Lender (the "First Amendment"), and further amended the Loan Agreement to release and add certain properties as collateral for the Loan by execution of that Second Amendment to Loan Agreement dated May 8, 1991, by and between Borrower and Lender (the "Second Amendment") (the Loan Agreement, as amended by the First Amendment and the Second Amendment is hereinafter collectively referred to as the "Loan Agreement"). Borrower and Lender have agreed to amend the Note to modify the repayment terms and to acknowledge that the Revolving Loan Period (as defined therein) has expired and to amend the Note as hereinafter provided. Borrower and Lender have further agreed to release and pledge additional properties as collateral for the Loan and Borrower and Lender have agreed to further amend the Loan Agreement to reflect the release and addition of certain properties and to amend the Loan Agreement as hereinafter provided.

AGREEMENT

FOR AND IN CONSIDERATION OF the sum of Ten Dollars ($10.00), the foregoing recitals, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower and Lender do hereby agree to amend the Note and Loan Agreement as follows:

I. AMENDMENT AND MODIFICATION OF NOTE.

1. Borrower and Lender agree that effective as of December 31, 1991, the Revolving Loan Period of the Note has

expired. From and after December 31, 1991, the Revolving Line of Credit Facility of the Note is terminated so that Borrower can no longer borrow, repay and reborrow any amount under the Note.

2. Borrower and Lender acknowledge and agree that the Term Loan Period of the Note commenced on January 1, 1992, and that from and after January 1, 1992, the outstanding principal balance of the Note shall accrue interest at the rate of one percent (1%) per annum above the Prime Rate of Lender. As of the date of this Agreement, the Prime Rate of Lender is six and one-half percent (6.5%) per annum, and accordingly for information purposes, the rate of interest payable under the Note as of the date of this Agreement is seven and one-half percent (7.5%) per annum.

3. Notwithstanding any provision in the Note to the contrary, Borrower and Lender agree that Borrower shall make interest only payments on the outstanding principal balance of the Note, at the interest rate specified in this Agreement, commencing on February 1, 1992, and thereafter on March 1, April 1, May 1, June 1, July 1, and August 1, 1992. Commencing on September 1, 1992, and thereafter on the first day of each successive month through and including December 1, 1996, the outstanding principal amount of the Note shall be repaid in equal monthly payments of Two Hundred Fifty Thousand and No/100 Dollars ($250,000.00) each. Interest on the outstanding principal balance of the Note, at the rate specified in this Agreement, shall continue to be paid monthly, in arrears, concurrent with the principal payments described in the preceding sentence of this Agreement, through and including December 1, 1996. On January 1, 1997, the entire outstanding principal balance of the Note, together with all accrued, but unpaid interest shall be due and payable in full (the "Maturity Date").

4. Any Default or Event of Default under any document evidencing, securing or in any way related to the indebtedness evidenced by the Note, whether now existing or hereinafter entered into, shall hereinafter constitute a Default under the Note.

5. From and after the date of this Agreement, any reference to the Note or the indebtedness in any document evidencing, securing or in any way related to the Loan indebtedness shall be deemed to refer to the Note, as modified by this Agreement.

6. Borrower and Lender acknowledge and agree that as of the date of this Agreement, the outstanding principal balance of the Note is Fifteen Million and No/100 Dollars ($15,000,000.00).

7. Except as herein expressly modified or amended, all the terms and conditions of the Note are hereby ratified, affirmed and approved.

8. Borrower and Lender acknowledge and agree that as of the date of this Agreement, Borrower and Lender have not consummated the pledge and mortgage of the Ridgewood Lodge (being shown on Exhibit "A" attached to this Agreement) as Collateral for the Loan. Borrower's failure to consummate the pledge and mortgage of and the granting of a security interest in the Ridgewood Lodge property (said Ridgewood Lodge property being more particularly described in Exhibit "B" attached hereto and incorporated herein by this reference) on or before February 29, 1992, upon terms and conditions reasonably acceptable to Lender, shall constitute a default under the Note. Simultaneously with the consummation of the pledge of the Ridgewood Lodge, Lender agrees to release the Timber Rock Apartments property located in Dallas County, Texas, from the lien of the Deed of Trust securing the Loan.

II. AMENDMENT AND MODIFICATION OF LOAN AGREEMENT

1. Section 3.1 of the Loan Agreement is hereby amended by deleting therefrom in its entirety Exhibit "A" attached thereto and adding in lieu thereof the Exhibit "A" attached hereto and incorporated by this reference. From and after the date of this Agreement, all references in the Loan Agreement to the Collateral, Property or Premises shall hereinafter be deemed to include all the properties listed on Exhibit "A" attached hereto.

2. Article 6 of the Loan Agreement, Affirmative Covenants, is hereby amended by adding the following thereto:

"6.6 Preserve and maintain its corporate existence and good standing in the jurisdiction of its incorporation, and qualify and remain qualified as a foreign corporation in each jurisdiction in which such qualification is required.

6.7 Maintain, keep, and preserve all of its properties (tangible and intangible) necessary or useful in the proper conduct of its business in good working order and condition, ordinary wear and tear excepted.

6.8 Comply in all respects with all applicable laws, rules, regulations and orders imposed upon it or upon its property or the Collateral.

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6.9 At any reasonable time and from time to time, and following reasonable advance notice to Borrower, permit the Lender or any agent or representative thereof, to examine and make copies of and abstracts from the records and books of account of, and visit the properties of, the Borrower, and to discuss the affairs, finances and accounts of the Borrower with any of its officers and directors and the Borrower's independent accountants.

6.10 As soon as possible and in any event within ten (10) days after the occurrence of each Default or event or condition that with the giving of notice, lapse of time or both would constitute an Event of Default, provide to Lender a written notice setting forth the details and the action which is proposed to be taken by the Borrower with respect thereto.

6.11 Notify Lender in writing, promptly upon learning thereof, or any material adverse change in Borrower's financial condition."

3. Article 9 of the Loan Agreement, Representations and Warranties, is hereby amended by adding the following thereto:

"9.2 There are no existing and asserted or unasserted claims, counterclaims, defenses, personal or otherwise, or rights of setoff whatsoever with respect to this Agreement or any instrument, document or certificate evidencing or securing any indebtedness of Borrower to Lender, any such claims, counterclaims, defenses, and rights of setoff being hereby expressly waived and relinquished.

9.3 There are no actions, suits, arbitrations, proceedings or investigations pending, or, threatened (or any basis therefor) which, either taken alone or in the aggregate, if adversely determined, would have a material adverse affect on the business, operations, or financial condition of Borrower, or which might result in any material impairment of the rights or ability of Borrower to perform its obligations hereunder and there are no outstanding unpaid judgments or arbitration awards against Borrower which would have such adverse effect or which might result in such material impairment.

9.4 This Agreement constitutes the legal, valid and binding obligation of Borrower, enforceable in accordance with its terms, except as the same may be

limited by bankruptcy, insolvency, moratorium or other similar laws affecting creditors' rights generally, and except to the extent that the remedy of specific enforcement or injunctive relief is subject to the discretion of the court before which any proceedings therefor may be brought.

9.5 No act by Lender and no waiver by Borrower of any term, condition or obligation of Borrower hereunder, or partial or full funding of any amounts by Lender to Borrower shall constitute a waiver of any of the other terms, conditions and obligations of Borrower provided herein. In the event Borrower is unable to satisfy any term, condition or obligation provided in the Loan Agreement, no act of Lender hereunder shall have the effect of precluding Lender thereafter from declaring such inability to be a Default hereunder. No act of Lender hereunder shall constitute a waiver by Lender of any then existing Default hereunder. Upon any Default hereunder, Lender shall have the right to declare all defaults which have occurred under this Agreement and the Loan."

4. Section 8.2 of the Loan Agreement is hereby deleted in its entirety and the following is substituted in its place and stead:

"8.2 So long as any of the liabilities remain outstanding, the outstanding principal balance of the Loan can never exceed the lesser of (i) Fifteen Million and No/100 Dollars ($15,000,000.00) or (ii) the Loan Ceiling (defined as the amount equal to (a) one hundred percent (100%) of the Book Value of the Collateral as shown on Exhibit "A" attached to this Agreement; plus (b) eighty percent (80%) of the book value (defined as Borrower's net carrying value) of any other real estate assets of Borrower pledged as collateral for the Loan after January 31, 1992, which are not shown on Exhibit "A" (the "Additional Collateral"). From and after the date hereof, all references in the Loan Agreement and this Agreement to Additional Collateral shall be construed to mean Additional Collateral as defined in the preceding sentence of this Section."

5. Article 11 of the Loan Agreement, Casualty, Condemnation and Release, is hereby amended by adding the following thereto:

"11.4 Notwithstanding any other provision contained in this Article 11, Lender shall not be obligated to release any or all of the Collateral or

Additional Collateral unless and until it receives an amount in immediately available funds equal to the greater of (i) the Book Value for the Collateral as set forth in Exhibit "A" attached hereto and eighty percent of the book value for the Additional Collateral as set forth in Section 8.2 of this Agreement or (ii) fifty percent (50%) of the net sales proceeds of any such Collateral or Additional Collateral (net sales proceeds being defined as gross sales price less usual, customary and reasonable closing costs, including reasonable and customary real estate brokers' commissions to unrelated third parties); except for the release of the Quality Inn property located in Seminole County, Florida, in which case the release shall be the greater of (i) the Book Value for the Quality Inn or (ii) eighty-five percent (85%) of the net sales proceeds for the Quality Inn. Lender shall not be obligated to release any Collateral or Additional Collateral under this Loan, if at the time of each request by Borrower for said release, there exists a Default under the Loan Agreement."

III. MISCELLANEOUS PROVISIONS

1. Except as amended by this Agreement, the Loan Agreement shall otherwise remain in full force and effect in accordance with the terms contained therein, and Borrower hereby ratifies and reaffirms each and every term and condition of said Loan Agreement.

2. Borrower, on behalf of itself and its respective successors and assigns, hereby waives, releases, and discharges Lender, its directors, officers, employees, and agents of Lender and its participants, from any and all claims, demands, actions, or causes of action occurring prior to the date of this Agreement and arising out of or in any way relating to the Loan, and any documents, agreements, dealings, or other matters connected with the Loan, including, without limitation, all known and unknown matters, claims, transactions, or things occurring prior to the date of this Agreement related to the Loan (other than clerical mistakes or other manifest error). Borrower agrees to dismiss with prejudice any proceedings against Lender as of the date of this Amendment.

3. Borrower and Lender acknowledge and agree that this Agreement shall not constitute a novation of the indebtedness evidenced by the Note. Borrower further acknowledges and agrees that the obligation to repay the unpaid balance of the Note as of the date hereof is free and clear of any defense, setoff, or counterclaim.

4. This Agreement shall be binding upon and inure to the benefit of Borrower and Lender and their respective successors and assigns, whether voluntary by act of the parties or involuntary by operation of law.

5. All references in any of the Loan Documents to any of the Loan Documents shall hereafter include the modifications to the Loan Documents set forth herein.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed by their duly authorized officers and have affixed corporate seals as of the day and year first above written.

Signed, sealed and delivered in the presence of:

Unofficial Witness

Notary Public

Notary Public, Cobb County, Georgia
My Commission Expires [illegible]

BORROWER:

RIDGEWOOD PROPERTIES, INC.

By: _____
Its: _____

Attest: _____
Its: _____

[CORPORATE SEAL]

Signed, sealed and delivered in the presence of:

Unofficial Witness

Notary Public

Notary Public, Cobb County, Georgia
My Commission Expires December 8, 1983

LENDER:

FIRST AMERICAN BANK OF GEORGIA, N.A.

By: _____
Its: _____

[BANK SEAL]

5774H

EXHIBIT "A"

BOOK VALUE OF COLLATERAL

Property #	Name	Location	Value
393	Oak Park	Dallas, Texas	$ 1,710,00
655	Dallas Land	Dallas, Texas	$ 3,500,00
156	Quality Inn	Orlando, Florida	$ 1,757,00
219	Maitland Center I	Orlando, Florida	$ 308,00
650	Maitland Center II	Orlando, Florida	$ 1,183,00
675	Longwood Land	Orlando, Florida	$ 576,00
253	Conolox	Arlington, Tenn.	$ 330,00
353	Fairfield	Columbus, Ohio	$ 1,656,000
890	Rilman Road (5 equal lots at $231,000.00)	Atlanta, Georgia	$ 1,155,000
830	Park on Ivy (Lot 22)	Atlanta, Georgia	$ 328,000
830	Park on Ivy (Lot 23)	Atlanta, Georgia	$ 352,000
830	Park on Ivy (Lot 28)	Atlanta, Georgia	$ 94,000
830	Park on Ivy (Lot 29)	Atlanta, Georgia	$ 94,000
860	3870 Paces Ferry Road	Atlanta, Georgia	$ 225,996
850	Lot 2, Interlochen Est.	Atlanta, Georgia	$ 93,646
995	Part of Lots 2 and 3, Lake Tarpon Estates	Pinellas County, Florida	$ 168,000
	Athens Land	Athens, Georgia	$ 285,000
	Ridgewood Lodge	Orange County, Florida	$ 3,900,000
		TOTAL	$17,717,642

S1831

EXHIBIT "B"

The South 30 feet of Lot 9 and a portion of Lot 10, Block A, IRLO O. BRONSON SUBDIVISION, according to the plat thereof as recorded in Plat Book Q, page 156, Public Records of Orange County, Florida, together with a portion of Lot 67, CENTRAL FLORIDA INDUSTRIAL PARK, according to the plat thereof as recorded in Plat Book Y, pages 107 and 108, Public Records of Orange County, Florida, all being more particularly described as follows:

BEGIN at the Southwest corner of Lot 9, Block A, IRLO O. BRONSON SUBDIVISION, according to the plat thereof as recorded in Plat Book Q, page 156, Public Records of Orange County, Florida, said corner lies on the east Right of Way of U.S. Highway 441 (a 100 foot Right of Way); thence N. 89° 07' 07" E., along the south line of said Lot 9, 230.55 feet; thence S. 00° 15' 53" E., 331.41 feet to the north line of Lot 67, CENTRAL FLORIDA INDUSTRIAL PARK, according to the plat thereof as recorded in Plat Book Y, pages 107 and 108, Public Records of Orange County, Florida; thence N. 89° 05' 51" E., along said north line 74.45 feet; thence S. 00° 15' 25" E., 49.97 feet to the north Right of Way line of Central Florida Parkway (a 100 foot Right of Way); thence N. 89° 05' 35" E., along said north Right of Way 130.34 feet; thence leaving said Right of Way N. 00° 15' 25" W., 208.01 feet; thence N. 89° 05' 35" E., 175.01 feet; thence N. 00° 15' 25" W., 203.21 feet to a point that is 30.00 feet north of the south line of Lot 9, Block A, of said IRLO O. BRONSON'S SUBDIVISION; thence S. 89° 07' 07" W., parallel with said south line 610.35 feet to the east Right of Way of said U.S. Highway 441; thence S. 00° 12' 15" E., along said east Right of Way 30.00 feet to the POINT OF BEGINNING.

AMENDMENT TO LOAN AGREEMENT

WHEREAS, First American Bank of Georgia, N.A., a national banking association (hereinafter "Lender"), has heretofore made a loan to Ridgewood Properties, Inc., a Delaware corporation (hereinafter "Borrower") in the original principal amount of Fifteen Million and No/100 Dollars ($15,000,000.00) (the "Loan"), which Loan is governed by that certain Loan Agreement dated November 22, 1989, as amended March 1, 1991, and May 8, 1991, and as further amended by that certain Consolidated Amendatory Agreement entered into as of the 31st day of January, 1992 by and between Borrower and Lender (collectively the "Loan Agreement"); and

WHEREAS, the Loan is collateralized by various real properties given by Borrower to Lender as security for the Loan, which real properties are described in the Loan Agreement; and

WHEREAS, the provisions of the Loan Agreement provide for the release of collateral pursuant to a formula described in the Loan Agreement; and

WHEREAS, Borrower is desirous of selling one of the real properties and obtaining Lender's release of such real property from the Deed to Secure Debt which encumbers said property pursuant to the Loan Agreement; and

WHEREAS, the real property to be released is referred to as Property No. 830 - Park on Ivy (Lot 22) ("Lot 22") in Atlanta, Georgia, and has a minimum release price of $328,000.00, as referred to on Exhibit "A" to the above-referenced Consolidated Amendatory Agreement; and

WHEREAS, the net sales proceeds available to Borrower from the sale of Lot 22 shall be Two Hundred Sixty-Four Thousand and No/100 Dollars ($264,000.00); and

WHEREAS, Lender is willing to reduce the release price for Lot 22 from $328,000.00 to $264,000.00 by deferring the payment of the difference of $64,000.00 (the "Deferral Amount"), which Deferral Amount shall be paid by Borrower at a later date;

NOW, THEREFORE, Borrower and Lender hereby amend and modify the Loan Agreement as follows:

1. Lender shall agree to release Lot 22 for a net release price paid to Lender of $264,000.00. The Deferral Amount of $64,000.00 shall be added to the book value of the next property Borrower shall seek to have released pursuant to the Loan Agreement by paying the release value of such property sought to be released plus the Deferral Amount, which aggregate amount shall be paid by Borrower to Lender at the time Borrower shall seek to have the next property released.

2. Lender's willingness to reduce the release price for Lot 22 shall not be deemed as a waiver by Lender of any of the terms, conditions and obligations of Borrower to Lender under the Loan Agreement or under any of the other loan documents evidencing or securing the Loan and Borrower agrees that Lender's execution of this Amendment shall not have the effect of precluding Lender hereafter from declaring any inability of Borrower to satisfy any term, condition or obligation to be a Default Under the Loan Agreement, or under any of the loan documents evidencing or securing the Loan.

3. Except as amended by this Agreement, the Loan Agreement shall otherwise remain in full force and effect in accordance with the terms contained therein and Borrower hereby ratifies and reaffirms each and every term and condition of said Loan Agreement.

IN WITNESS WHEREOF, the undersigned have caused this Amendment to be executed by their duly authorized officers and have affixed corporate seals, this 26th day of March, 1992.

FIRST AMERICAN BANK OF GEORGIA, N.A.

Witness

By: _____

Its: _____

(CORPORATE SEAL)

RIDGEWOOD PROPERTIES, INC.

Witness

By: _____

Its: V. Pres.

(CORPORATE SEAL)

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